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Tutunjian Releases 2006 Spending Plan

Minor Tax Increase, Hiring Two Additional Police Officers To Patrol The Streets

For Immediate Release
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(September 29, 2005- TROY)- Mayor Harry J Tutunjian released his 2006 proposed budget on Thursday afternoon, highlighted by the additional hiring to two new police officers.

For the third consecutive year, the City will experience historic increases in retirement, health care, and operational (gasoline) expenses. In 2006, Troy will see:

- Health Care rise from \$8.9 million to \$10.3 million, an increase of 15.2 percent. In 2001, that number was less than \$5 million.
- Retirement costs surpass original state estimates for the year and escalate an additional 12 percent to \$3.8 million. In 2001, that amount was \$300,000.
- Gasoline rates jump 60 percent from 2005 projections, costing the City of Troy more than \$400,000 next year.

Despite the across the board increases in retirement and health care, as well as the 3 percent contractual raises given to most employees, Tutunjian deflected the burden off the taxpayers by making additional cuts to an already thin budget. Most of those cuts were made in unnecessary traveling expenses, training, and consultants. All told, the proposed increase in taxes for 2006 is 1.48 percent. There is an additional water rate increase of 3 percent. There is no increase in the sewer rate.

All told, the increase will cost the average home in Troy, with an assessment value of \$80,000, less than \$17 next year. The water rate increase for the average home will be less than eighty-five cents per month.

“Obviously passing on any increase in taxes to our residents is difficult to do,” Tutunjian said. “With costs in health care and retirement continuing to skyrocket, we have done our best to lower our expenses. We continue to function at a higher level than in previous years while spending less to accomplish our goals.”

While Tutunjian cautioned City Council members that the City must continue its conservative budgeting, the Mayor was pleased to announce that after studying revenues carefully, an increase in sales tax revenue is warranted this year.

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“Rensselaer County and the City of Troy are growing at a tremendous rate, and for several years our sales tax revenue has increased,” Tutunjian said. “However, due to conservative budgeting, we have been reluctant to raise that number. We feel comfortable in doing so this year.”

Tutunjian said that recent legislation passed by the City Council rezoning the Hoosick Street Corridor and South Troy Waterfront, as well as developmental projects along Congress Street and at Rensselaer Polytechnic Institute is the best medicine for a city the size of Troy.

“We are giving ourselves an opportunity to grow the tax base,” he said. “There are few things more important in government than that. This year, we have seen an increase in sales tax revenue, a step we believe will continue well into the future; provided we are able to continue our excellent services to residents while improving the quality of life in Troy.”

Tutunjian’s administration is also proposing the hiring of two additional police officers that the Mayor says will be used to concentrate on quality of life issues affecting neighborhoods in Troy.

“We are relentlessly trying to improve the quality of services in the City of Troy,” Tutunjian said. “Over the course of the past year we have had many discussions with residents, clergy, school leaders, and business owners that each have a unique perspective on life in the City. When it comes to safety, the ideas range across a very broad spectrum, but usually come back to one suggestion. We need more police officers. This administration agrees.”

According to the Troy City Charter, the City Council has until December 1st to approve a budget for fiscal year 2006.